

Woodland Beautification Committee, which is a volunteer organization formed to facilitate murals in places previously plagued with graffiti.

I am honored to recognize an individual who has committed his life to the protection of his fellow citizens. Men and women who put their lives in harms way everyday on our streets and cities merit our admiration, and deserve our appreciation. Please join me in congratulating Chief Del Hanson for a lifetime of hard work and a job well done.

THE PRESIDENT'S VISIT TO CHINA

HON. DONALD M. PAYNE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 14, 2002

Mr. PAYNE. Mr. Speaker, as the President makes his first state visit to China later this month, I wish him well and a productive trip. The United States and China will have many issues to discuss, such as counter-terrorism, human rights, arms proliferation, Tibet and Taiwan. It is my hope that President Bush will stand on his principles regarding Taiwan. As a long time observer of the Republic of China on Taiwan, I have noticed that Taiwan is a country that has taken great strides towards democracy. With U.S. assistance, Taiwan is now a major economic power in the world, and a member of the World Trade Organization. Although it has embraced democracy, it faces a formidable adversary—the People's Republic of China. From time to time, China threatens Taiwan militarily. It is important that Taiwan has the capability to defend itself against outside forces. Therefore, I consider President Bush's trip to China vital, but believe that Taiwan's interests must not be compromised.

BIPARTISAN CAMPAIGN REFORM ACT OF 2001

SPEECH OF

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 13, 2002

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 2356) to amend the Federal Election Campaign Act of 1971 to provide bipartisan campaign reform:

Mr. GILMAN. Mr. Chairman, I rise in support of the Shays-Meehan Bipartisan Campaign Reform Act of 2001. This legislation will close the soft money loophole which currently allows unlimited and regulated funds from corporations, labor unions, and wealthy individuals to be funneled into Federal election campaigns. In addition, it will require the clear and full disclosure of those who sponsor election-related advertisements.

As a member of the Government Reform Committee, I have watched with growing concern the insidious influence that soft money plays in our Nation's election process. The questionable fund-raising activities of the 1996 election and the record levels of money spent in 2000 points toward a disturbing trend that should be addressed and brought under control.

It has been nearly 30 years since Congress last corrected the abuses of the campaign finance system. In those 30 years, political loophole artists have learned how to exploit the shortcomings of our Nation's current campaign laws. It is therefore our duty to revise and adapt those laws to current realities and ensure that the intentions of our laws are upheld.

The Shays-Meehan bill is our best hope for true and meaningful campaign reform. It is time for the Congress to act in the best interests of our Nation. Accordingly, I urge my colleagues to support the Shays-Meehan bill.

INSURANCE INDUSTRY MODERNIZATION AND CONSUMER PROTECTION ACT

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 14, 2002

Mr. LaFALCE. Mr. Speaker, today I am introducing the Insurance Industry Modernization and Consumer Protection Act. This legislation will give insurance companies the ability to overcome the cumbersome inefficiencies of the current system through an optional Federal insurance charter. Companies that choose the optional federal charter will be able to bring new, innovative insurance products to our national markets much more quickly, giving consumers and businesses more choices in insurance products. It will also introduce strong federal oversight and consumer protections that should be required for an industry of such economic importance.

Importantly, for the first time in over half a century, the Insurance Industry Modernization and Consumer Protection Act will make the Federal antitrust laws generally applicable to the business of insurance, something I first called for in the 1970s. This will greatly enhance the ability of consumers and regulators to ensure a fair and evenhanded insurance market.

The domestic insurance industry, with assets of over \$4 trillion held by both life and property and casualty insurers, plays a major and central role in the U.S. economy. All businesses depend on insurance for protection from both known and unknown hazards. Without insurance, banks and other lenders would have to bear the risks of the hazards that befall their customers. Credit would be both harder to obtain and more expensive.

The events of September 11th underscore the crucial part that insurance plays in ensuring U.S. domestic economic security and stability. Without an estimated \$40 to \$70 billion in insurance benefits, the businesses and individuals affected by the terrorists attacks could not begin to rebuild their financial lives.

The health of the U.S. insurance market has a significant global impact as well. The U.S. represents over one-third of the world insurance market. In the year 2000, U.S. consumers and companies paid \$840 billion of the world's \$2.4 trillion in premiums.

Despite the industry's central role in the national and global economy, the business of insurance is regulated solely at the state level, with absolutely no federal oversight. Since 1976, I have called for giving the Federal government a role in the regulation of the insur-

ance industry. The Insurance Industry Modernization and Consumer Protection Act will strengthen the competitiveness of the U.S. insurance industry and provide the national government a voice in regulating an industry that is so vital to our national interests.

The current state-by-state regulation of the insurance industry does not reflect either the economic centrality of the industry or the reality of today's market. Many of the domestic insurance companies are heavily engaged in interstate commerce, and sell insurance products to a global, national or, at the very least, a multistate market. However, in the United States, we subject insurance companies to the burden and cost of being licensed in every jurisdiction in which they choose to sell policies. This checkerboard of inconsistent and inefficient regulation impairs strong regulatory oversight and increases the costs of doing business. It also has the potential of putting U.S. domestic insurance companies at a serious competitive disadvantage in what is an increasingly global insurance market. The current system unnecessarily increases costs, impedes the efficient delivery of products and services and, too often, inadequately protects consumers.

Over 50 different insurance departments, each with its own peculiar laws and procedures, regulate insurance companies that operate on a national basis. This current regulatory system adds to the cost of operating insurance companies in two ways. First, an insurance company is required to invest considerable resources to comply with the laws of each of these jurisdictions and to interact with all of these regulators. Secondly, the delay in approving insurance products results in lost profits. Insurance companies have testified before the Financial Services Committee that they can experience delays of up to 18 months in obtaining the approval of the 50 plus state insurance departments. One national life insurance company estimates that it loses \$50 million per year in lost profits because of these delays.

Consumers also suffer from the inability of insurers to bring their products to market quickly. Regulatory delays often translate into consumers' inability to obtain the best price or the most favorable product features. A well-designed regulatory scheme will create efficiencies and creativity that will benefit both consumers and insurance companies.

The Insurance Industry Modernization and Consumer Protection Act also benefits consumers by establishing a strong regulatory scheme to combat unfair and deceptive practices. Currently, some states do a very good job in protecting consumers. But, unfortunately, other states do not have a tradition of vigorous protection of consumers.

To raise the standards of those states with inadequate consumer protections and to prevent a competition in laxity between the Federal insurance regulator and the state insurance regulators, my legislation will require that all state-regulated insurers meet certain standards that the Act applies to federally chartered insurers. The Insurance Industry Modernization and Consumer Protection Act currently requires all state-regulated insurers to meet the same market conduct standards that the Act applies to federally chartered insurers. It is my intention to expand these minimum standards to other areas, including adequate information disclosure and effective means of redress for